

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Behavioral Health	<b>(2) MEETING DATE</b> 10/30/2012	<b>(3) CONTACT/PHONE</b> Kimberly Miramon, Behavioral Health CFO, 788-2932 Amy Olson, ASO II, 781-4729	
<b>(4) SUBJECT</b> Request to approve a contract (Clerk's File) with 7th Avenue Center, LLC for FY 2012-13 in an amount not to exceed \$636,560 to provide residential and intensive mental health services in a locked facility to adults who cannot care for themselves due to their mental illness.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board approve a contract with 7 <sup>th</sup> Avenue Center, LLC for FY 2012-13 in the amount not to exceed \$636,560 to provide residential and intensive mental health services in a locked facility to adults who cannot care for themselves due to their mental illness.			
<b>(6) FUNDING SOURCE(S)</b> FCC166-Behavioral Health; Realignment and General Fund	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$636,560	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$636,560	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b>  19001217		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b>  N/A	<b>(15) BUSINESS IMPACT STATEMENT?</b>  No	<b>(16) AGENDA ITEM HISTORY</b>  <input checked="" type="checkbox"/> N/A    Date _____	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b>  Reviewed by Leslie Brown			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director  
Karen Baylor, Ph.D., MFT, Behavioral Health Administrator

DATE: 10/30/2012

SUBJECT: Request to approve a contract (Clerk's File) with 7th Avenue Center, LLC for FY 2012-13 in an amount not to exceed \$636,560 to provide residential and intensive mental health services in a locked facility for adults who cannot care for themselves due to their mental illness.

## **RECOMMENDATION**

It is recommended that the Board approve a contract with 7<sup>th</sup> Avenue Center, LLC for FY 2012-13 in an amount not to exceed \$636,560 to provide residential and intensive mental health services in a locked facility for adults who cannot care for themselves due to their mental illness.

## **DISCUSSION**

The Health Agency's Behavioral Health Department contracts with various residential placement providers within a wide range of adult residential services, providing the appropriate level of care to seriously mentally ill individuals in need of residential placement. With the exception of State hospitals and other acute care hospitals, Mental Health Rehabilitation / Institutions for Mental Disease (IMDs) offer the most intensive level of care in the residential care continuum. IMDs are locked residential facilities that are primarily engaged in providing intensive care for adults with severe mental illness. The IMD facilities also provide medical care, nursing care, assessment services, clinical treatment and other related services. The IMD facilities are staffed with Psychiatrists 24 hours per day / 7 days per week.

The clients placed in these facilities have not been able to adequately function on a daily basis in outpatient settings or semi-locked facilities, such as Board and Care facilities, which are less restrictive. Most IMD clients have been placed under conservatorship by the courts. Although the desired outcome is to move clients to the least restrictive level as possible in order for them to function appropriately in their daily lives but unfortunately, a certain percentage of the population with severe mental illness will, at any given time, need the level of treatment and support offered in an IMD setting.

On July 24, 2012, your Board approved renewal contracts with four IMDs: Beverly Health and Rehabilitation Services, Inc. dba Golden Living Center, Sylmar Health and Rehabilitation Center, Inc., Crestwood Behavioral Health, Inc., and Sunbridge Healthcare Corporation dba Sierra Vista Rehabilitation Center. The Department wishes to contract with one additional facility, 7<sup>th</sup> Avenue Center, LLC. This additional facility is necessary to properly care for one client who has a diagnosis or condition that the currently contracted facilities are not able to adequately provide treatment and support. The contract provider is licensed by the State Department of Health Services as an Institution for Mental Disease with special treatment programs.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed the contract as to form and legal effect.

## **FINANCIAL CONSIDERATIONS**

The FY 2012-13 Behavioral Health Department Adopted budget includes \$636,560 for Mental Health Rehabilitative / IMD services, which projected 8 clients for a total of 2,920 days at an average rate of \$218 per day. This amount of \$636,560 represents a 30% decrease, or \$247,480, in IMD services compared to \$911,040 budgeted for FY 2011-12, which

projected 12 clients at \$208/day. There are currently 6 clients in IMDs. It is anticipated the FY 2012-13 budget for IMD facilities will be sufficient to provide the necessary services and support for the existing clients in the IMD and the new client proposed to be placed in 7<sup>th</sup> Avenue Center.

Each IMD contract stipulates a maximum amount of \$636,560 but it is clear in the each contract that the County only pays for actual bed days used. Setting each contract at the maximum amount allows the flexibility to move clients within each facility and add clients without amending their contract based on initial estimates.

The County is not able to claim federal reimbursement for services provided to individuals residing in IMDs. IMD reimbursable rates are set by the State, which provides funding for these services through Realignment, Managed Care funds, and General Fund. Actual IMD days and costs for FY 2009-10, FY 2010-11, and FY 2011-12 for each facility are presented in the table below.

Facility	FY 2009-10 Actual			FY 2010-11 Actual			FY 2011-12 Actual			FY 2012-13 Budget		
	Days	Clients	Cost	Days	Clients	Cost	Days	Clients	Cost	Days	Clients	Cost
Sylmar	35	1	\$5,948	338	1	\$70,943	152	1	\$35,172	0	0	\$0
Golden Living	670	3	\$86,035	1,868	4	\$346,002	1,295	4	\$236,507	1,160	3	\$278,280
Crestwood	1,876	5	\$349,970	2,474	6	\$502,839	1,333	4	\$273,265	1,460	4	\$318,280
7 <sup>th</sup> Ave IMD	0	0	0	0	0	0	0	0	0	300	1	\$40,000
CPT	0	0	\$0	143	1	\$42,600	139	1	\$41,700	0	0	\$0
Sierra Vista	0	0	\$0	148	1	\$24,285	74	1	\$12,143	0	0	\$0
<b>Total</b>	<b>2,581</b>	<b>9</b>	<b>\$441,953</b>	<b>4,971</b>	<b>13</b>	<b>\$986,669</b>	<b>2,994</b>	<b>15</b>	<b>\$598,787</b>	<b>2,920</b>	<b>8</b>	<b>\$636,560</b>

Because IMD costs represent a substantial portion of the amount budgeted for all adult residential placements, the Department's Adult Placement Committee monitors all IMD placements closely to assure that they are appropriate and medically necessary. The committee was formed to monitor placements, identify barriers, and seek system improvements. Members of the committee include the following stakeholders: an intensive case manager, who also serves as liaison to the IMDs, board and care facilities, and community housing; the owner of both American Care Homes (American Care Homes are licensed board and care facilities often used to transition clients from IMDs back into the community); representatives from the Public Guardian's Office and Transitions – Mental Health Association; Behavioral Health's Division Manager for Adult Services; Behavioral Health's Division Manager for Compliance / Quality Improvement / MHSA FSP programs; and the social worker from the Psychiatric Health Facility. The Adult Placement Committee assists the Department in determining the best balance between cost efficiency and the appropriate placements for the effective treatment of its clients.

## **RESULTS**

During FY 2011-12 there was an overall decreased usage of IMD facilities compared to previous years. While 12 clients were budgeted for 2011-12, at one point during the year as many as 15 clients were placed in IMD facilities at the same time. However, by the end of the year, this number was reduced to 4 by moving clients to lower levels of care. During the first quarter of FY 2012-13, one client progressed onto a lower level of care while three clients were placed in IMD facilities resulting in a client count of 6 in IMD facilities.

The County is responsible for ensuring adults with severe mental illness are provided the most appropriate treatment option for the individual client, while managing the placements in the most cost effective manner. In spite of efforts to find viable alternatives to IMD placements, there will continue to be a core group of individuals with severe mental illness who are in need of IMD services. Appropriate placements help Behavioral Health reach its mission to serve clients in the least restrictive setting possible and to advance the Behavioral Health's goal of assisting individuals with severe mental illness to be as functional and productive as possible in least costly environments. Providing the most appropriate services to the clients increases the probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the County's vision of a healthy and safe community.

## **ATTACHMENTS**

1. Clerk's Filed Coversheet for 7th Ave FY 2012-13 Contract